

## **FORM NUMBER 3**

### **WAGE PASS-THROUGH CERTIFICATION WORKSHEET INSTRUCTIONS COMPUTATION OF AB 2877 WAGE PASS-THROUGH FOR 2000-2001**

#### **INTERMEDIATE CARE FACILITIES / DEVELOPMENTALLY DISABLED (ICF/DD) ICF/DD – HABILITATIVE (ICF/DD-H) ICF/DD – NURSING (ICF/DD-N)**

This worksheet will be used to certify compliance with AB 2877 wage pass-through (WPT) funds included in the August 1, 2000 through July 31, 2001 long term care rates. Providers are advised to thoroughly document all expenditures of WPT funds, and to furnish the documentation to the Department auditors at the time of the WPT review.

#### **INSTRUCTIONS FOR FORM NUMBER 2**

Include the facility name and Medi-Cal provider number in the space provided on each page.

#### **Computation of AB 2877 WPT Obligation**

**Line 1:** Enter the Medi-Cal days paid for the service period August 1, 2000 through July 31, 2001.

**Line 2:** Enter the per diem AB 2877 WPT add-on amount effective August 1, 2000 obtained from Provider Bulletin ICF/DD, ICF/DD-H, and ICF/DD-N.

**Line 3:** Calculate the facility's total AB 2877 WPT obligation by multiplying total Medi-Cal days (line 1) by the WPT per diem rate (line 2).

#### **Data from Base Period Used to Determine Wage Related Benefits as a Percentage of Wages**

**Lines 4a, 4b, 4c and 4d:** Indicate the amount of wages paid for the work performed during the period August 1, 1999 through July 31, 2000 consistent with the payroll records for Qualified Mental Retardation Professionals (QMRP), Lead personnel, Nurse Assistants (NA), Registered Nurses (RN) and Licensed Vocational Nurses (LVN).

**Line 4e, 4f, 4g, and 4h:** Indicate the amount of wages paid for the work performed during the period August 1, 1999 through July 31, 2000 consistent with the payroll records for linen and laundry, plant operations and maintenance, housekeeping and dietary staff.

**Line 4i:** Indicate total of lines 4a through 4h.

**Line 5:** Indicate the amount of employee benefits related to the wages reported above for the period August 1, 1999 through July 31, 2000 consistent with the payroll records for QMRP, Lead, NA, RN, LVN, laundry and linen, plant operations and maintenance, housekeeping and dietary staff (lines 4a through 4h). Wage-related employee benefits such as FICA, SUI, FUI, vacation, holiday and sick leave, pension and retirement, worker's compensation insurance and other wage-related employee benefits should be included only to the extent that increases in these costs are directly attributable to payroll increases. Benefits that are not wage-related such as group life, health insurance and flexible benefits are not allowable for WPT compliance and should not be included on this line.

**Line 6:** Enter the calculation of the "benefits as a percentage of wages" by dividing the total wage-related benefits (line 5) by the total wages (line 4i).

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#### Payment of WPT Obligation in Wages and Related Benefits

**Lines 7a through 7d:** Indicate wage increases passed through as a result of AB 2877 to the facility's direct care staff: QMRP employed in the performance of direct care to patients, Lead personnel employed in the performance of direct care to patients, NA, RN and LVN. *Managers, supervisors and contracted labor are excluded from receiving any WPT increases.* (Welfare and Institutions Code 14110.6(f)(3) and December 2000 Long Term Care Medi-Cal Bulletin - Q & As).

**Lines 7e through 7h:** Indicate wage increases passed through as a result of AB 2877 to the facility's other staff: laundry and linen, plant operations and maintenance, housekeeping and dietary staff. "Other Staff" should be other non-supervisory staff providing direct patient care. *Managers, supervisors and contracted labor are excluded from receiving any WPT increases.* (December 2000 Long Term Care Medi-Cal Bulletin - Q & As).

The salary increases reported in lines 7a through 7h SHOULD NOT include:

- Bonuses. (Welfare and Institutions Code 14110.6(f)(6)(D) and December 2000 Long Term Care Medi-Cal Bulletin – Q & As.)
- "...any salaries, wages, or benefits that the facility would have paid in the absence of this subdivision" as indicated in Welfare and Institutions Code 14110.6(f)(6)(C). The intent is that the wage pass-through would supplement and not supplant wage increases. (For example: merit, annual, or other scheduled salary increases).
- Salary increases negotiated prior to August 1, 2000 unless the negotiated increase specifically included the WPT obligation. (Welfare and Institutions Code 14110.6(f)(6)(C) and December 2000 Long Term Care Medi-Cal Bulletin - Q & As)
- Wage increases to conform to the minimum wage of \$6.25 per hour effective January 1, 2001.

**Line 7i:** Indicate total wage increases passed through as a result of AB 2877 to direct care and other staff by adding lines 7a through 7h.

**Line 8:** Indicate wage-related benefits passed through as a result of AB 2877 to the staff categories listed in lines 7a through 7h by multiplying "benefits as percentage of wages" determined on line 6 by the wage increase indicated on lines 7i.

**Line 9:** Indicate total wages and wage-related benefits of AB 2877 WPT by adding line 7i to line 8.

**Line 10:** Enter the amount of AB 2877 funds that were used to fund retroactive wage payments to employee categories listed in lines 7a through 7h. The amount should be inclusive of wage-related benefits which are determined by multiplying the retroactive wage payments by line 6 and adding the result to the retroactive wage payments. Bonuses are not allowable for WPT compliance. Retroactive payments are permissible for WPT compliance only if there is an associated wage increase to the employee's base wage rate. (Welfare and Institutions Code 14110.6(f)(6)(D) and December 2000 Long Term Care Medi-Cal Bulletin – Q & As).

**Line 11a:** Enter the amount of AB 2877 funds that were used to fund new or enhanced employee benefits. The WPT funds may not be used to pay increased workers compensation premiums. The WPT funds may not be used to pay increased health care premiums that do not increase benefit coverage. Examples of new

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or enhanced benefits are offering *new* vision or dental care benefits or enhancing the health care benefits offered to the employees. (December 2000 Long Term Care Medi-Cal Bulletin – Q & As).

**Line 11b:** Enter the type of new or enhanced benefits that were given to direct care and other staff pursuant to AB 2877 WPT.

**Line 12:** Enter the total of AB 2877 funds distributed to direct care and other staff by adding lines 9, 10 and 11a.

**Line 13:** Enter total AB 2877 WPT funds received but not distributed by subtracting line 12 from Line 3.

**Line 14:** Enter the amount of penalty on undistributed AB 2877 WPT funds received by multiplying Line 13 by 10%.

**Line 15:** Enter WPT amounts due to the Department of Health Services by adding line 13 and line 14.